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A RADIO DISCUSSION OF

War against the Middle Classes?

PETER DRUCKER · MAYNARD KRUEGER · RALEIGH STONE

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NOTE

The supplementary information contained in the footnotes to the following text, developed by staff research, is not to be considered as representing the opinions of the ROUND TABLE *speakers. Following the transcript of the broadcast are questions which readers may wish to use for analysis and discussion. It is hoped that teachers and discussion leaders may find this additional service of the* ROUND TABLE *transcript helpful in their study of the subject discussed in the broadcast.*

WAR AGAINST THE MIDDLE CLASSES?

A UNIVERSITY OF CHICAGO ROUND TABLE BROADCAST*

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* A radio discussion broadcast from the University of Chicago, over the Red Network of the National Broadcasting Company, Sunday, June 8, 1941, at 1:30 P.M., Central Daylight Saving Time.

The ROUND TABLE, oldest educational program continuously on the air, is broadcast entirely without a script. Subjects are chosen because of their social, political, or economic significance. The program has no "ax to grind." In the selection of speakers, the effort is to provide a balanced discussion by participants who have special competence and knowledge. The opinion of each speaker is his own and in no way involves the responsibility of either the University of Chicago or the National Broadcasting Company.

WAR AGAINST THE MIDDLE CLASSES?

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When a nation begins to arm—for defense or for war—this change in the goal of production affects all parts of the economy directly or indirectly. President Roosevelt has said that in America, as it engages in its greatest armament program, the rich must not become richer and the poor must not become poorer. In Europe, the economists say, it is the middle classes which have been most violently affected by war.

What will the multibillion-dollar defense program do to the middle classes in America? How will it affect their standard of living, the costs of their food, clothing, rent, and other necessities? Is this "War against the Middle Classes"?

To answer these questions, and to describe the changes which may take place in the American economy during the next six or twelve months, the University of Chicago ROUND TABLE *invited three economists to discuss "War against the Middle Classes?"*

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MR. KRUEGER: Before we begin to discuss the effect of the war on the middle classes, maybe we ought to make it clear just why the middle classes are important.

MR. STONE: One of the reasons they are important, I suppose, is that (as shown by the *Fortune* poll about a year ago) something

like 85 per cent of the people think they are middle class. Therefore, we are talking to a very large percentage of the population.[1]

MR. KRUEGER: That is, if 10,000,000 people are listening to this program—as we are told they are—there will be about 8,500,000 who consider themselves a part of the middle class.

MR. DRUCKER: Another good reason would be that the European experience has shown that modern war hits the middle classes first, and hits them hardest.[2] You might say that on the continent of Europe there are no middle classes left and that in England they have their backs to the wall.

MR. STONE: Then it is a matter of particular concern that we consider the middle classes in relation to this war, for the simple reason that wars tend to be hard on them, if judged by the European experience, and a good many of us—I, for one—are terribly afraid of a totalitarian regime rising out of this war which will destroy democracy and, along with it, the middle classes.

MR. KRUEGER: I would not agree with you if you mean that democracy and the middle classes are identical.

MR. STONE: I do mean that!

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[1] *In the February, 1940, issue of "Fortune" the results of this poll indicated (including those who had no opinion) 49 per cent thought they were middle class, 3 per cent upper, and 15 per cent working or laboring, with 32 per cent having no opinion or giving an unclassified answer.*

[2] *For a more specific explanation of the European situation see the article by Mr. Drucker referred to in the list of suggested readings on page 26.*

MR. KRUEGER: That is why I disagree with that.

MR. DRUCKER: I think we cannot have a free society—or never had it, at least—until and unless we have a pretty sturdy basis of free and independent people.

MR. KRUEGER: But it is also true that it is the middle classes which have been in control not only of the economy in the United States but in a number of other countries as well, and they have the record of a good many years of failure to deliver a rising standard of living. That is going to be a pretty serious charge against them.

MR. DRUCKER: Now, Krueger, before you go any further, will you please try to say what you mean by "they" or by the "middle classes"? Who are *they* in this country? Who are the middle classes? On what basis do you call a man a member of the middle class?

MR. KRUEGER: There are at least three different ways, I suppose, of answering the question "Who is a member of the middle class?" You can answer it, if you like, according to what a man does; or you can answer it according to what he gets out of the economic system; or you can answer it according to what he thinks. I was referring to the *Fortune* poll a while ago. That poll was conducted on the basis of what people *think*.

On the basis of what they *do*, Stone, whom do you include in the middle class?

MR. STONE: I should say that that is an entirely different classification than this questionnaire about how they feel about things. If you put it on a basis of what they do, I suppose by the middle-class people we would mean the entrepreneur . . . .

MR. KRUEGER: You mean people who are in business for themselves?

MR. STONE: Yes, shopkeepers and small businessmen. We would mean the professional people who are working for fees.

MR. DRUCKER: What about the salaried engineers, lawyers, bookkeepers, and accountants?

MR. STONE: We would include all of those; certainly, the upper grades of the white-collar workers.

MR. KRUEGER: And the preachers.

MR. DRUCKER: And the schoolteachers.

MR. KRUEGER: What about the farmers?

MR. STONE: We should include the farmers, I think. The only exception to that might be the sharecropper in the South. We might not have to include him.

MR. DRUCKER: Would you include any skilled workers in this country who in Europe most definitely do not belong to the middle classes?

MR. STONE: I, myself, would prefer not to include them as middle-class people, but in terms of other classifications (Krueger mentioned income and ideology—the way people live and think) we must include the upper skilled workers in the United States.

MR. KRUEGER: According to what they *do*, then, the middle classes are pretty broad. You have listed a number of occupations. (*See illustration, page 9.*) According to what they *get*—according to their income classification—how large an income does a person have to have in order to be, properly speaking, a part of the middle class in this country?

MR. STONE: Before I would attempt to answer that, it would seem to me that you have suggested the least important basis of classification: What does a man get? A man can be a member of the middle class and get a relatively low income. It isn't so much a matter of income—that is not a sharp classification—but I would say we would have to include all of those who get from $1,200 or $1,500 up to, say, $12,000.

MR. DRUCKER: That would be about one-half of the nation, since about one-half of the nation gets below $1,200 and the other one-half gets above.

MR. KRUEGER: That means, then, that you have to be in the upper half of the population from the standpoint of income in order to be considered a part of the middle classes.

MR. DRUCKER: I would limit Stone's figure. I would say that an income of about $4,000 or $5,000 a year is definitely in an upper bracket these days.

MR. KRUEGER: It certainly is! It is in the upper 10 per cent. (*See illustration, pages 14–15.*)

MR. STONE: A lot of shopkeepers, gasoline station operators, etc., make as much as $10,000–$12,000 a year, and they are obviously middle class. We've got to get up there.

MR. KRUEGER: Stone, you were saying that you did not think a definition of the middle classes according to income was the most important one; that the definition in terms of what people thought was more important. I have tried this on classes here at the University of Chicago (where I think students are brighter than they are at most places). I have asked the students to put down on a piece of paper, "What is the size of your family income?" and asked them

to put down on that same piece of paper, "How many people do you think get more than that, and how many get less?"

I have noticed that a student who says his family's income is about $3,000 will say he thinks about half the people get more and about half get less. If he thinks the family income is about $10,000, he still thinks that about half the people get more and about half the people get less. I get the impression that almost everybody likes to think of himself as being in about the middle.

MR. STONE: I think that is true. Therefore, I think that the answers to the *Fortune* poll were not particularly important, because a whole lot of people talk about their hopes and aspirations and feelings and one thing and another without having anything very clearly in mind. Then there is one other thing about that story of yours, Krueger. I doubt very much if you should have reported that, because that reflects on the stupidity of our student body, I'm afraid.[3]

MR. DRUCKER: They are no more stupid than the rest of the people, all of whom—or 85 per cent of whom—felt they were middle class.

You know, Stone, I disagree with you very basically on that question of whether it matters what people feel. I think that it matters enormously; that the way people feel determines the way they act

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[3] *These "hopes and aspirations" are shown in other sections of the "Fortune" poll referred to in footnote 1, page 3. Of those unemployed or working for someone else,*

50.7 per cent would like to go into business for themselves
38.1 per cent would prefer not to go into their own business
7.6 per cent thought it depended on circumstances, and
3.6 per cent didn't know

far more than their income. I think the hopes and aspirations, of which you spoke so contemptuously, are really the fabric, the basis, of political action, and that it is a great difference in this country that people do have middle-class hopes, middle-class aspirations; that they expect to get on, or at least expect their children to get on, which is something you never had in Europe.

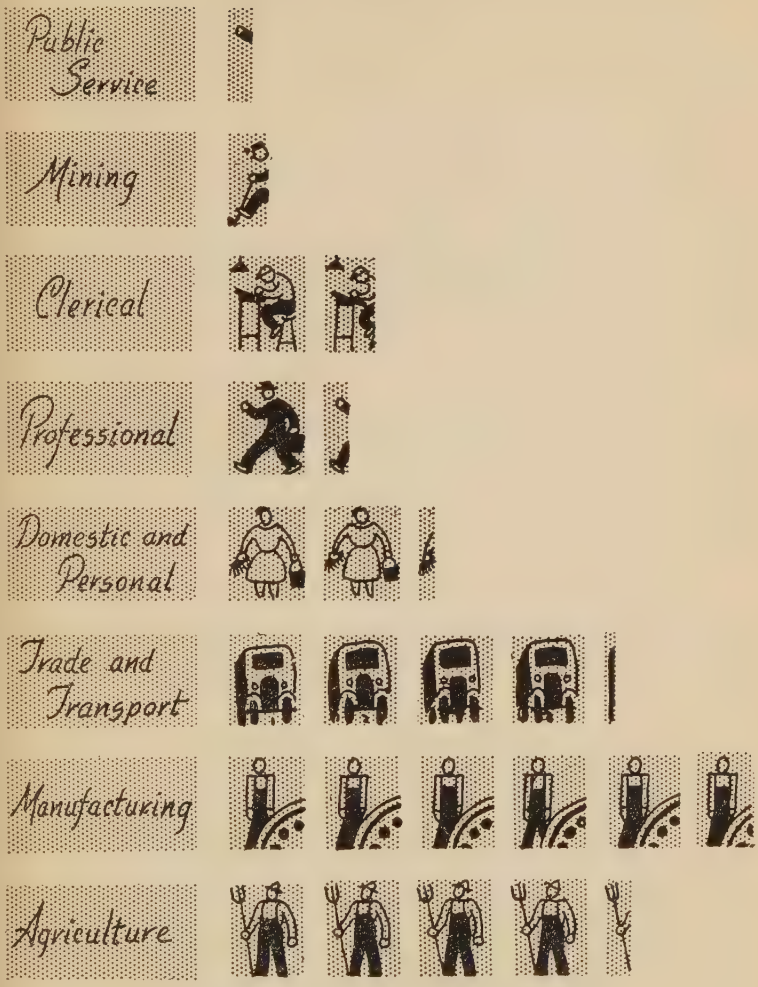
MR. STONE: I think that was true up to ten years ago in the United States. I'd say that America was correctly described as being hopelessly middle class in the sense that practically everybody belonged to it and behaved that way, but at the present time I think about 50 per cent of our population is in the state of mendicancy; they are beggars, have their hands out, organized to get some special privileges out of the United States Treasury. Therefore, I think the spirit of individualism has been undermined, and consequently this middle-class philosophy you talk about is a very different thing from what it used to be.

MR. KRUEGER: You may mean by that, Stone, that an increasing number of people in this country—farmers who get certain kinds of benefits out of the A.A.A., and people who get W.P.A. wages, or people who are on relief—find themselves dependent upon government.

MR. DRUCKER: We are not discussing the New Deal; we are discussing "War against the Middle Classes." I think we won't get very far discussing what has been happening during the last eight or ten years. We are interested in what is going to happen during the next eight or ten months—what is going to happen to prices, to taxes, to incomes, to the independent small businessman, and to the professional man? What *is* going to happen?

MR. STONE: All right. The best way to approach that is

OCCUPATIONAL GROUPINGS OF EMPLOYED AMERICANS: 1930



EACH COMPLETE SYMBOL EQUALS 5 PER CENT

SOURCE: REPORT OF THE PRESIDENT'S RESEARCH COMMITTEE ON SOCIAL TRENDS, "RECENT SOCIAL TRENDS IN THE UNITED STATES" (WASHINGTON, 1933).

through the national income: how the national income will probably be distributed and how the middle class will share in that national income. We are producing, at the present rate of operations, about eighty-five to ninety billion dollars a year, and I don't see—without a substantial rise in prices—that we are going to get much over one hundred billions in the next year.[4]

MR. KRUEGER: I think your figures are a bit exaggerated, but we'll let that go.

MR. DRUCKER: What do you mean by all those billions? What do all those billions mean to the small-town lawyer in Iowa or Nebraska?

MR. KRUEGER: It means that the total volume of goods and services produced in the United States has been increased and that during the early stages of this program—that is, right now—most people in the United States are getting more out of it than they did before.

MR. STONE: That's right! They've been able to buy better clothes; they've been able to buy more automobiles; they've been able to raise their standard of living in all sorts of ways.

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[4] *The Department of Commerce estimates recent annual American national income as follows:*

1936	*$65,165,000,000*
1937	*71,172,000,000*
1938	*63,610,000,000*
1939	*69,378,000,000*

National income reached a high of $82,885,000,000 in 1929 and declined to a depression low of $40,074,000,000 in 1932.

MR. KRUEGER: And that's a very dangerous situation, too, because that is merely the first blush of prosperity connected with this armaments program.

MR. STONE: That's right!

MR. KRUEGER: The distasteful side that is going to sock the middle classes in the jaw is still to come.

MR. DRUCKER: And, if European experience is any guide, I judge we are just about ready to get the first whiffs of the distasteful side. We are talking about higher taxes. For instance, an average lawyer, with a family of two children, who makes $3,000 a year in a small town pays hardly any income tax today. How much will he have to pay next March?

MR. KRUEGER: He will have to pay as much as they have nerve enough to impose in Washington.

MR. DRUCKER: How much would you think would be a good guess, if you want to guess?

MR. STONE: I should say that, even with the timid Congress we have—one that is afraid of public opinion—taxes will probably be raised by at least 50 per cent.

MR. KRUEGER: At the present time a single man under our income-tax law has an exemption of only about $15.40 a week. It is down that low already. I think that probably will be lowered so that more people with lower incomes will be paying income tax, and I think the rates are going to be substantially increased, though they won't be increased anywhere near enough to pay for the program.

MR. STONE: That is probably true.

MR. DRUCKER: The married people and the poorer families, with their exemptions, have hardly been touched yet. Take that lawyer of $3,000 annual income. In England today a similar lawyer would have to pay about $1,500 a year in income taxes and another $500 in practically compulsory loans. How much would the Iowa lawyer have to pay? Certainly not $2,000 out of an income of $3,000. Would he have to pay as much as $200?

MR. STONE: He might not have to pay that much.

MR. DRUCKER: Today he pays what? Twenty-five dollars?

MR. STONE: Perhaps.

MR. DRUCKER: Not much more than that.

MR. KRUEGER: Let me make it clear that that doesn't depend upon the size of the armaments program at all. That depends simply on the extent to which it is financed by borrowing. I don't think that Congress is going to be particularly enthusiastic about presenting the bill for this tremendous program.

MR. STONE: If they don't raise it by taxes, they will have to raise it by some kind of enforced bond-buying which will subtract from people's income in about the same way. I'd like to suggest this: that, if we go on with anything like an all-out national defense program for the United States, we will have to spend at least a third of our national income.

MR. KRUEGER: A third of our national income—if the national income goes up to ninety billion dollars—is an awful lot!

MR. STONE: That's right!

MR. KRUEGER: That means that a lot of that is going to have to come out of what people are now consuming.

MR. STONE: That's right! Instead of having as much to consume as they have now, consumption—on the average for normal living—will probably be reduced in the course of the next twelve months by 15 or 20 per cent.

MR. DRUCKER: I think there are two points which we ought to make very clear. If you talk about reducing consumption 15–20 per cent, it means that the people will have to go back to the income and standard of living of, let's say, 1939, which wasn't such a bad year for the middle class. And, a second point, if this country uses one-third of its total national income for defense, it will produce as much, in the way of armaments, if not more, than England and Germany together produce by using two-thirds, if not more, of their total national income.

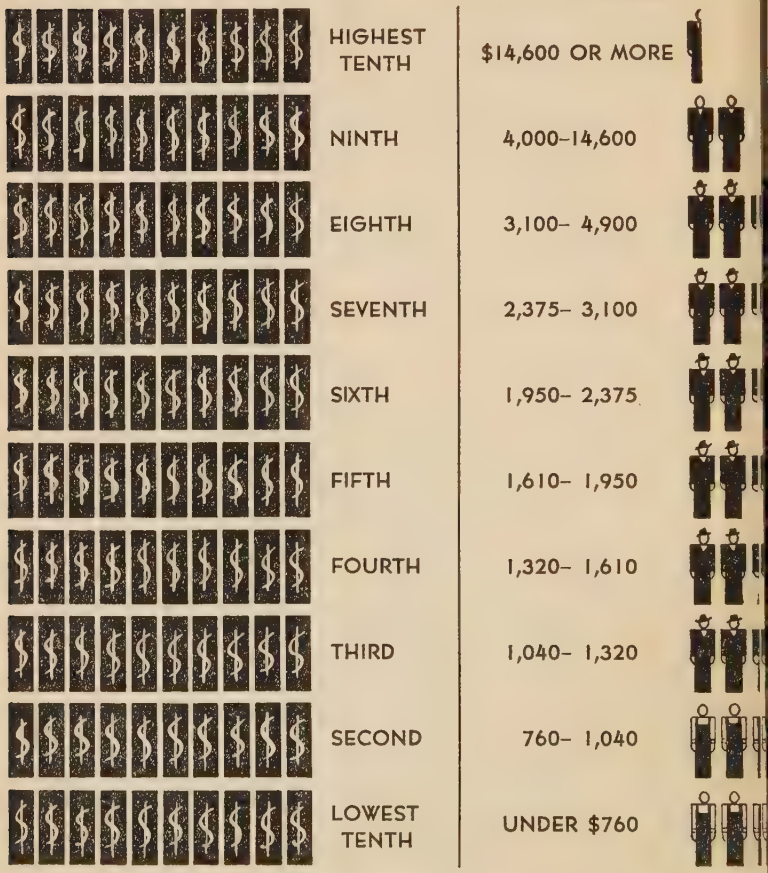
MR. STONE: I doubt if we go that far.

MR. DRUCKER: But don't forget the tremendous difference in the productive capacity of this country. This country produces more steel, without the armaments emergency, than the whole of Europe together—it produces almost double the amount of steel; it produces ten times the gasoline and fifty times the cotton.

MR. KRUEGER: What you are saying is that in the United States our national wealth is so great and our potential national income is so great that we can finance a tremendous armaments program without sinking our own people and our own middle classes down to the level they occupied in Europe. I think the middle classes were in a tough fix in the United States all the way through the depression, and to say that the armaments program will mean that the middle classes must sink to the depths of the depression level is a pretty severe statement.

DISTRIBUTION OF INCOMI

One-half of 1 per cent of the people receive as muc



EACH COMPLL

SOURCE: TEMPORARY NATIONAL E

E UNITED STATES: 1935–36

al income as the poorest 32.5 per cent of the people

FAMILIES AND SINGLE INDIVIDUALS

_S 1 PER CENT

REPORTS, MONOGRAPH 11, PAGE 116

MR. DRUCKER: No, no one says that—1939 wasn't that bad.

MR. STONE: They weren't getting along well in 1939.

MR. DRUCKER: All we are saying is that the war will not *help* the middle classes.

MR. STONE: We are saying more than that; it not only will not help them but it will reduce them 15–20 per cent below their present level.

MR. KRUEGER: After all, that only makes common sense to me. You can't spend one-third of your national income for armaments purposes without taking a lot of it out of what the ordinary person consumes. He is going to find it harder to get his foodstuffs and is going to pay a higher price; he is going to find it harder to get an automobile and will have to pay more for it if he does get it.

MR. STONE: He is going to be socked with a heavy tax in addition to a higher price for that automobile, and so on with a great many other things.[5]

MR. DRUCKER: That means that the reduction which you two foresee is considerably more than 15 or 20 per cent. I can't somehow square your statements that one-third of the total national income is an all-out program for this country (I agree with that) and that it means 15 or 20 per cent less consumption than today. It somehow doesn't fit.

MR. STONE: Let's take that up more specifically by following through on Krueger's classification of functional groups.

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[5] *Proposals have been made for a 20 or 25 per cent sales tax (or a flat tax of $100) on new automobiles on the theory that such a tax will discourage automobile purchases (and so free men and materials for defense production) rather than raise any substantial revenue.*

MR. DRUCKER: Take a small lawyer in central Illinois.

MR. STONE: Let's take lawyers and doctors and professional people. Let's take white-collar workers and go on down through the groups of people whom we suggested, functionally considered.

MR. KRUEGER: All right! Stone, what is going to happen to the lawyers? You are starting with an easy case first, for the lawyers and doctors who are on a fee basis are not going to be as hard hit as people who are on salary.

MR. STONE: That's right! They may not raise their fees, but they will be more fully occupied and they will collect more income, so that I suspect they will get along quite well.

MR. DRUCKER: I think that you make a big mistake by trying to take those groups individually without first making it quite clear from where the impact is to come. You have spoken about taxes and you have spoken about prices; you have not even mentioned the most important danger, or threat, in an armaments economy—namely, that the middle-class professions and occupations become superfluous. In an economy where the government is the biggest purchaser you don't need the whole distributive machinery.

MR. STONE: Let me suggest to you that we've just agreed that expenditures for ordinary normal purposes, the average standard of living . . . .

MR. DRUCKER: Will go on . . . .

MR. STONE: . . . . will be within 15–20 per cent of what it is currently. At that rate there will be a lot of work for middle-class people; not as much as there was, but it will be a great deal.

MR. DRUCKER: You have only been talking about absolute incomes, which really don't mean as much as you two seem to believe. You haven't been talking about the individual small shopkeeper who has been buying from manufacturers who now suddenly produce for the government.

MR. STONE: That is what we wanted to do. Let's get on with it!

MR. KRUEGER: All right! The individual shopkeeper is going to find it harder to stay in business. He is going to find it harder as rationing comes along, and he is going to find it harder to stay in business as price increases begin and purchasing drops off for that reason.

MR. STONE: And that shopkeeper, if he hires any help, will probably have to pay substantially more for it, and he will have to take a lower grade of help because the better classes of workers will be drawn off to the higher-paid jobs.

MR. KRUEGER: That is true of the small manufacturers also, and it is true, in general, of the smaller people who are not going to get the direct orders out of the armaments program.

MR. DRUCKER: Let me ask you a question. In Europe the real threat to the middle classes did not come from higher taxes or from higher prices; it simply came from a complete disappearance of the function of business.

MR. STONE: We have agreed that that is not going to happen here beyond 15 or 20 per cent.

MR. DRUCKER: I see. That is something quite different from England. Let me give you an example of a small industrial town

in England which I know very well—about the size of Springfield, Illinois—where they had ten banks two years ago and where today they have two. What happened to those eight bank managers and to the bookkeepers and the accountants and the clerks of those eight banks which disappeared (because you don't need the private distributive system if your economy produces primarily for armaments)?

MR. STONE: In general, that is true for England, but in the United States bank loans are expanding, and bank business will continue to expand because we are not spending two-thirds of our national income on war, or anything like it, and we won't be.

MR. KRUEGER: There will be middlemen crowded out in the United States, too; but not to the extent you have described in England.

MR. STONE: Yes, we have agreed that we will have a reduction in our standard of living—maybe as much as 15 or 20 per cent, on the average. That will mean that much less business for retailers and small manufacturers.

MR. DRUCKER: I think that—while I agree with you on the effects on this country—the effects will be largely limited. I think that one should keep apart the income and the fact that, conceivably, a great many people who are independent people today will become employees of a centralized government.

MR. KRUEGER: I am glad to hear you mention that, Drucker, because I think that is an important point. I think the middle classes in the United States have already lost a considerable part of their morale over a long period, and they are probably due to lose more of it because an armaments economy is bound to be a central-

ized kind of an economy and there is bound to be less independence in it for all these small people we are mentioning who have in the past been more independent. That is also going to be true of the farmer, who already has lost a considerable part of his independence and is due to lose more of it under an armaments economy.

MR. STONE: That is just what I mean when I say that we are going into something like a totalitarian economy. In that kind of economic organization people do lose their liberty and freedom, and in that sense there is going to be a great deal of undermining of the middle class.

MR. DRUCKER: You two know far more about the facts than I do, but I would like to say that, as a European, the one great impression you get in this country is not of the undermining of the morale of the middle class, or not—as Stone said—of its disappearance, or of 50 per cent of the people having become beggars; but the fact that this is a middle-class country, with middle-class beliefs, and middle-class values. In Europe nobody believes any more in the possibility of rising in the social and economic scale.

In this country I spent some time two years ago in a C.C.C. camp down in Louisiana. Each one of the boys (and they certainly had had a pretty tough time) believed that, given a break, he would get along. And most of them did make good somehow. So you cannot, I think, simply talk about the disappearance, the crumbling, of the middle classes in this country.

MR. KRUEGER: Drucker, I think you are talking through your hat if you think the people who have gone through the C.C.C. camps have come out with any strong middle-class morale, or morale of any other kind. I am not saying the camps have been bad for them—not at all!—but the number of people in the United

States who really believe that the prospects of rising into the middle classes has been getting smaller and smaller. We are graduating a lot of college students into the proletariat these days.

MR. STONE: We are developing an attitude of dependency that is remarkable, and I want to suggest this: that a whole lot of people are hanging onto the words and the symbols and verbiage of individualism, but that they are not acting that way. They are all organizing in all sorts of ways to bring pressure, get some special advantage, get some special entree to the United States Treasury. That sort of thing was going on in 1936, 1937, 1938, and 1939. We cannot maintain the American system with that continuing to develop.

MR. DRUCKER: That has very little to do with the armaments economy and its impact upon the various groups. My question would be a specific one: Has the small businessman, the small manufacturer, the small independent, anything to fear, not only in the way of lower income, but in the way of being crowded out? Can the shopkeeper here in Chicago—the corner drugstore owner—expect to go on as before, or must he fear that either the government or the pressure of rising prices and rising labor costs and a smaller supply of goods will force him to the wall?

MR. KRUEGER: My answer to that would be this: I am not saying that he is going to be forced to the wall but that he is going to have a tougher time than he has had before. It means substantially a continuation of depression conditions as far as that small businessman is concerned. That is, the war—whether the United States gets into it or not—and a large-scale armaments economy are not going to lift these middle-class groups by their bootstraps out of the dumps into which they have sunk in recent years.

MR. STONE: Up to the present time the small manufacturer has been picking up a lot of crumbs.

MR. KRUEGER: You mean during the past year?

MR. STONE: Yes, he has been getting along exceedingly well; but the rising labor costs he is going to suffer, the draining-off of his labor supply, plus the restrictions on raw materials, etc., are going to give him a lot of trouble in the future.

MR. DRUCKER: I know a small furniture manufacturer in Connecticut who has just lost all of his seven skilled laborers who were hired by an aviation plant on the Pacific coast, sent out there with their families at the expense of the aviation plant, and given a two-year contract with a minimum wage. No small manufacturer can possibly compete with that. On the other hand, the aviation people need the skilled worker. That is the kind of squeeze, you see.

MR. STONE: He cannot compete unless he gets very much higher prices than he does now, which is another way that people generally are going to suffer from a war economy. That is a way a 25–30 per cent increase in prices is going to come about.

MR. DRUCKER: What about the farmer?

MR. KRUEGER: It is another one of the ways in which they are going to kid themselves, too, and this is true of the farmer as well as of the small manufacturer. Those higher prices they are going to be getting won't represent higher purchasing power on their part.

MR. STONE: They will have to pay enormously more for all the things they buy.

I'd like to raise one other question here. With the pressures that

are going on, as these small businessmen get pinched more and more they probably are going to react quite violently against the activities of organized labor.

MR. KRUEGER: I think that is already happening. I think the fact that they want to prevent wage rates from rising is one of the reasons back of the anti-labor drive at the present time.

MR. STONE: I think the trade-unions are going to have to be very careful of their step, or they are going to see very strong pressure to liquidate some of them.

MR. DRUCKER: One question: Do you think it possible—I won't say necessary—to maintain the middle-class belief, or the middle-class economic class, which I—and I think Stone agrees with me—consider of basic value?

MR. KRUEGER: Possibly, but very unlikely.

MR. STONE: And certainly we can't keep them alive if we do it by granting subsidies.

OBJECTIVE QUESTIONS FOR EXAMINATION

The answers to the following questions may be found in the text of the broadcast, and page references are provided to assist in locating the answers.

*

1. The *Fortune* poll estimates that what percentage of Americans consider themselves to be in the middle class? Page 3.
2. List three ways of determining who are included in the "middle classes" used by the ROUND TABLE experts in their discussion. Page 4.
3. Give examples of occupations which are considered "middle class." Page 5.
4. About half of America gets more and half less than what annual income? Page 6.
5. Professor Stone estimates that the American national income will reach what figure during the next twelve months? Without a "substantial rise in prices" he feels the maximum national income will be what? Page 10.
6. Under present income-tax laws a single man has an exemption of what sum, calculated on a per week basis? Page 11.
7. A lawyer with an annual income of $3,000 would pay approximately how much in taxes in England and in this country? Page 12.
8. The ROUND TABLE experts estimate normal consumption will be reduced in the next twelve months by what percentage? Page 16.
9. What percentage of increase in prices is predicted within the next year? Page 22.

QUESTIONS FOR ANALYSIS AND DISCUSSION

The following questions of wider scope, intended for discussion, are suggested by the broadcast, and answers may be found in the literature on the subject listed in the section "Suggested Readings," found on page 26.

*

1. Consider the various definitions of "middle class" used in the ROUND TABLE discussion, then analyze your own position in the light of each. Do you fall in the "middle class" by these definitions? What do you think your position is? Why?
2. Think of several persons you know well. Do you think any of them fall within the definition of "middle class"? If so, how do you feel the war has affected, or may affect, them?
3. In suggesting groups and persons within the middle class who may be affected by the war, indicate the channels through which these effects will be felt:
   a) Taxation
   b) Rising prices
   c) Lack of raw materials for producers
   d) Lack of goods to sell for retailers
   e) High labor costs
   f) Decreased civilian consumption
4. "Democracy and the existence of a substantial middle class are identical." Comment on this statement and discuss the position of the middle class in a democratic system (as in America) and in a totalitarian regime (as in some other nation with which you may be familiar).
5. Compare and contrast the impact of the war on the middle class in Germany, England, and the United States and indicate what may be the future of the middle class in those countries.

SUGGESTED READINGS

BINGHAM, ALFRED M., *Insurgent America: Revolt of the Middle Classes.* New York: Harper & Bros., 1935. *Another mid-depression analysis of the position, status, and future of the middle classes caught between communism, fascism, and a fast-disappearing democratic capitalism.*

COREY, LEWIS, *The Crisis of the Middle Class.* New York: Covici-Friede, 1935. *A volume outlining the position of the middle classes during the depression years and the choices which lie before the "petite bourgeoisie."*

DRUCKER, PETER F., "War against the Middle Classes," *Saturday Evening Post,* August 10, 1940. *This article upholds the thesis that the rich may not get richer in wartime nor the poor poorer, but that the middle class may be faced with economic extinction by the processes of war.*

HOLCOMBE, ARTHUR N., *The Middle Classes in American Politics.* Cambridge, Mass.: Harvard University Press, 1940. *The political role of the middle classes in the American system described by a distinguished analyst of American politics.*

LYND, ROBERT S. and HELEN M., *Middletown.* New York: Harcourt, Brace & Co., 1929. *A well-known review of the social, economic, political, and religious life of typical Americans.*

———, *Middletown in Transition.* New York: Harcourt, Brace & Co., 1937. *An addendum, covering Middletown in the depression years.*

PALM, F. C., *The Middle Classes, Then and Now.* New York: Macmillan Co., 1936. *A historical review of the position of the middle classes up to the economic collapse of the thirties.*

Every week the ROUND TABLE discusses a topic that is not only timely but important.

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105. *Must the World Unite?*
106. *Can We Protect America?*
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111. *Where's That War Boom?*
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148. *Is This Our War?*
149. *Morale: First Line of Defense?*
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152. *Can the Americas Be Invaded?*
153. *Guns or Butter?*
154. *Dilemma in the Far East*
155. *How to Fight Nazi Propaganda*
156. *The Decline and Fall of the Roman Empire*
157. *Strikes and National Defense*
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159. *Should America Convoy to Britain?*
160. *Balkan Blitzkrieg*
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162. *Which Road for America?*
163. *Lessons from Europe's War*
164. *The Effect of the Blitzkrieg on the Economic Order*
165. *Defense and America's Health*
166. *Roosevelt* vs. *Hitler*
167. *Polls and the Crisis*
168. *Where's Bunker Hill?* June 1

ALL ROUND TABLE TRANSCRIPTS CONTAIN ADDED FACTUAL MATERIAL IN THE FORM OF GRAPHS, MAPS, PICTOGRAPHS, FOOTNOTES, BIBLIOGRAPHIES, ETC.

ROUND TABLE NETWORK

2:30 P.M. EASTERN DAYLIGHT SAVING TIME

City	Call Letters	Kilo-cycles	City	Call Letters	Kilo-cycles
Boston, Mass.	WNAC	1260	Portland, Me.	WCSH	970
Buffalo, N.Y.	WBEN	930	Providence, R.I.	WJAR	920
New York, N.Y.	WEAF	660	Rochester, N.Y.	WHAM	1180
Philadelphia, Pa.	KYW	1060	Schenectady, N.Y.	WGY	810
Pittsburgh, Pa.	WCAE	1250			

1:30 P.M. EASTERN STANDARD TIME

Altoona, Pa.	WFBG	1340	Johnstown, Pa.	WJAC	1400
Atlanta, Ga.	WSB	750	Lakeland, Fla.	WLAK	1340
Charleston, S.C.	WTMA	1250	Lima, Ohio	WLOK	1240
Charlotte, N.C.	WSOC	1240	Miami, Fla.	WIOD	610
Cleveland, Ohio	WTAM	1100	Norfolk, Va.	WTAR	790
Columbia, S.C.	WIS	560	Raleigh, N.C.	WPTF	680
Columbus, Ohio	WCOL	1230	Richmond, Va.	WMBG	1380
Dayton, Ohio	WING	1410	Savannah, Ga.	WSAV	1340
Detroit, Mich.	WWJ	950	Springfield, Ohio	WIZE	1340
Florence, S.C.	WOLS	1230	Tampa, Fla.	WFLA	970
Grand Rapids, Mich.	WOOD	1300	Washington, D.C.	WRC	980
Greenville, S.C.	WFBC	1330	Winston-Salem, N.C.	WSJS	600
Jacksonville, Fla.	WJAX	930			

1:30 P.M. CENTRAL DAYLIGHT SAVING TIME

Chicago, Ill.	WMAQ	670	Memphis, Tenn.	WMC	790
Fort Wayne, Ind.	WGL	1450			

12:30 P.M. CENTRAL STANDARD TIME

Amarillo, Texas	KGNC	1440	Minneapolis and St. Paul, Minn.	KSTP	1500
Birmingham, Ala.	WBRC	960	New Orleans, La.	WSMB	1350
Bismarck, N.D.	KFYR	550	Oklahoma City, Okla.	WKY	930
Bristol, Tenn.	WOPI	1490	Omaha, Neb.	WOW	590
El Paso, Texas	KTSM	1380	Rochester, Minn.	KROC	1340
Evansville, Ind.	WGBF	1280	St. Cloud, Minn.	KFAM	1450
Fargo, N.D.	WDAY	970	St. Louis, Mo.	KSD	550
Jackson, Miss.	WJDX	1300	San Antonio, Texas	WOAI	1200
Kansas City, Mo.	WDAF	610	Shreveport, La.	KTBS	1480
Kingsport, Tenn.	WKPT	1400	Springfield, Mo.	KGBX	1260
Little Rock, Ark.	KARK	920	Terre Haute, Ind.	WBOW	1230
Louisville, Ky.	WAVE	970	Tulsa, Okla.	KVOO	1170
Mankato, Minn.	KYSM	1230	Wichita, Kans.	KANS	1240
Milwaukee, Wis.	WTMJ	620			

11:30 A.M. MOUNTAIN STANDARD TIME

Albuquerque, N.M.	KOB	1030	Phoenix, Ariz.	KTAR	620
Boise, Ida.	KIDO	1380	Pocatello, Ida.	KSEI	930
Bozeman, Mont.	KRBM	1450	Salt Lake City, Utah	KDYL	1320
Butte, Mont.	KGIR	1370	Tucson, Ariz.	KVOA	1290
Denver, Colo.	KOA	850	Twin Falls, Ida.	KTFI	1270
Helena, Mont.	KPFA	1240			

10:30 A.M. PACIFIC STANDARD TIME

Fresno, Cal.	KMJ	580	Sacramento, Cal.	KFBK	1530
Los Angeles, Cal.	KFI	640	San Francisco, Cal.	KPO	680
Medford, Ore.	KMED	1440	Seattle, Wash.	KOMO	950
Portland, Ore.	KGW	620	Spokane, Wash.	KHQ	590

STATIONS CARRYING ROUND TABLE BY TRANSCRIPTION

Cincinnati, Ohio	WSAI	1360	10:30 P.M. E.S.T
Honolulu, T.H.	KGU	760	

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JUNE 15, 1941

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RUTH AYRES, Consultant, Consumer Division, National Defense Advisory Commission

LEO M. CHERNE, Director, Research Institute of America

NEIL H. JACOBY, Assistant Professor of Finance, University of Chicago

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SUGGESTED READINGS

ELLIOTT, HARRIET, "Maintain and Strengthen Living Standards," *American Labor Legislation Review,* March, 1941.

"Guns? Yes, and Butter, Too," *New York Times Magazine,* July 21, 1940.

"Rising Prices?" *Business Week,* March 8, 1941.

"The Cost of Living," *Current History,* February 13, 1941.

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